

(e) Pursuant to applicable provisions of state law state regulatory authorities regulate many aspects of a power supply borrowers business activities, including such matters as the setting of wholesale electric rates, the borrowing of money, and the mortgaging of property. A state regulatory authority's jurisdiction over the rates charged by a power supply borrower shall be pre-empted where the Administrator has determined that such jurisdiction has compromised Federal interests, including without limitation, the ability of the borrower to repay its secured loans in accordance with the terms of the RUS documents. Thereupon, RUS shall, pursuant to the RUS documents, exercise exclusive jurisdiction over the rates charged by a power supply borrower.

[55 FR 38646, Sept. 19, 1990; 55 FR 53100, Dec. 26, 1990]

§ 1717.302 Definitions and rules of construction.

(a) *Definitions.* For the purpose of this subpart, the following terms shall have the following meanings:

Administrator means the Administrator of RUS.

Borrower means any organization which has an outstanding loan made or guaranteed by RUS for rural electrification. Unless otherwise stated in the text, "borrower" shall mean power supply borrower.

Loan contract means the agreement, as amended, supplemented, or restated from time to time, between a borrower and RUS providing for loans made or guaranteed pursuant to the RE Act.

Power supply borrower means any borrower engaged in the wholesale sale of electric power and energy to distribution members either directly or through other power supply borrowers pursuant to RUS wholesale power contracts.

RE Act means Rural Electrification Act of 1936, as amended (7 U.S.C. 901 *et seq.*).

REA means the Rural Electrification Administration formerly an agency of the United States Department of Agriculture and predecessor agency to RUS with respect to administering certain electric and telephone loan programs.

RUS means the Rural Utilities Service, an agency of the United States De-

partment of Agriculture established pursuant to Section 232 of the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994 (Pub. L. 103-354, 108 Stat. 3178), successor to REA with respect to administering certain electric and telephone programs. See 7 CFR 1700.1.

RUS documents means the loan contract, mortgage and RUS wholesale power contract of a power supply borrower.

RUS mortgage means the mortgage and security agreement, as from time to time supplemented, amended and restated, made by and among the borrower, RUS, and, if a party thereto, third party lenders, or any other form of mortgage or security instrument or indenture of mortgage and deed of trust, securing the payment of outstanding loans made or guaranteed by RUS and other lenders.

RUS wholesale power contract means the contract for the wholesale sale of electric power and energy between a power supply borrower and its member as approved by RUS.

Secured loans shall mean outstanding loans secured pursuant to the RUS mortgage.

State regulatory authority means any state board or local governing body having jurisdiction under state law to regulate, or in any way, approve the electric rates charged by a power supply borrower or electric distribution member of a power supply borrower.

(b) *Rules of Construction.* Unless the context shall otherwise indicate, the terms defined in § 1717.302(a) hereof include the plural as well as the singular, and the singular as well as the plural. The words "herein," and "hereunder", and words of similar import, refer to this subpart as a whole. "Includes" and "including" are not limiting and "or" is not exclusive.

[55 FR 38646, Sept. 19, 1990, as amended at 59 FR 66440, Dec. 27, 1994]

§ 1717.303 Requirements of RUS documents.

(a) Pursuant to the terms of the RUS documents each power supply borrower shall establish and adjust rates for the sale of electric power and energy in such a manner as to assure that the